

Franchise Tax Board

Author: Solis Analyst: Kristina E. North Bill Number: SB 1932

Related Bills: See Prior Analysis Telephone: 845-6978 Amended Date: 4/26/2000

Attorney: Patrick Kusiak Sponsor:

SUBJECT: California Lung Disease and Asthma Research Fund

X DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced February 24, 2000.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

X AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERN stated in the previous analysis of bill as introduced February 24, 2000.

X FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____

X REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED FEBRUARY 24, 2000, STILL APPLIES.

X OTHER - See comments below.

SUMMARY OF BILL

Under the Personal Income Tax Law (PITL), this bill would allow taxpayers to designate a contribution on the state tax return to the California Lung Disease and Asthma Research Fund.

SUMMARY OF AMENDMENT

The April 26, 2000, amendment:

- ◆ removes the requirement that this fund be added to the return for taxable years beginning on or after January 1, 2002, even if no other fund had been removed. Instead, the fund will be added to the return when another voluntary contribution designation is removed;
- ◆ specifies that the allocation to the American Lung Association of California is for providing "medical" research grants; and
- ◆ corrects the spelling of "lung," resolving the technical consideration in the department's analysis of this bill as introduced February 24, 2000.

Except for these changes and the new technical concern, the department's analysis of this bill as introduced February 24, 2000, still applies. The remaining implementation consideration and board position are restated below.

Board Position:

<u> </u> S	<u> </u> NA	<u> </u> NP
<u> </u> SA	<u> </u> O	<u> </u> NAR
<u> </u> N	<u> </u> OUA	<u> </u> X PENDING

Legislative Director

Date _____

Johnnie Lou Rosas

5/9/00

Implementation Consideration

This bill does not provide an "ordering rule" to determine placement on the tax return should other voluntary contribution funds be enacted with the same requirement that another be removed before a new fund is added. Without an ordering rule, the department would place a new contribution fund on the return for each contribution fund removed from the return, based upon the chaptering order of the bills creating the funds. It might be appropriate for the author to include this, or another ordering rule, in the bill.

Technical Consideration

The April 26, 2000, amendment removed the requirement that the fund be added to the tax return no later than for taxable years beginning on or after January 1, 2002. However, the requirement that FTB adjust the minimum contribution amount annually for inflation beginning no later than September 1, 2004, and the repeal date of January 1, 2007, remain in the bill. The author's staff has indicated its intention to remove the inflation adjustment and repeal date references.

BOARD POSITION

Pending.